

1. STEEL PRICE ADJUSTMENT [106] (REVISED 10-28-21)

A. General. The Contractor may elect to participate in a Steel Price Adjustment to payments for selected bid items made primarily of steel. Payment adjustments will only be made for fluctuations in the cost of the steel material. No adjustment will be made for changes in the cost of manufacturing, fabrication, shipping, storage, for any products purchased from the mill prior to the letting date, or for steel that is not permanently incorporated into the work.

The price adjustment will be based on the base price per pound of steel and changes to the steel price index between the bid letting date and the steel purchase date. Payment adjustments may be positive or negative.

Steel Price Index: The Department will use the Bureau of Labor and Statistics Producer Price Index (BLS PPI) "Steel Mill Products" Series ID WPU1017 not seasonally adjusted. The index used will be the final version of the index, revised 4 months after the original publication, including any corrections to the index.

The base price per pound of steel for this contract is: \$0.65.

B. Applicable Bid Items. Notify the Project Manager in writing by the Notice to Proceed date or at the pre-construction conference, whichever comes first, of any intent to participate in the steel price adjustment. Select the bid items for participation at the time of notification to the Project Manager. No changes will be allowed after submission.

Nuts, bolts, rebar chairs, connecting bands, and other miscellaneous hardware items will not be included in the price adjustment. High strength bridge bolt assemblies may be included in the price adjustment.

C. Steel Price Index. Furnish the following documentation for all steel bid items selected for steel price adjustment regardless of whether the index increased or decreased:

1) Paid invoice or other proof of purchase showing the date the steel was purchased and the weight of the steel.

2) An affidavit signed by the Contractor stating that the information provided is true and accurate.

3) Submit all documentation prior to incorporating the steel into the work. This provision in no way modifies or cancels the requirements of Subsection 106.09.

D. Steel Price Adjustment. The Project Manager will calculate the adjustments. Adjustments may be positive, negative, or non-existent depending on the difference between the Base Index (IB) and Current Index (IC). No price adjustment will be made unless the IC is 10% higher or lower than the IB.

For Increases:

Adjustment Factor (AF) = $(IC/IB - 1.10)$, rounded to the nearest 0.01

If AF is equal to or less than 0, no adjustment.

If AF is greater than 0, continue

Payment Adjustment = $AF \times \text{weight} \times \text{base price}$

For Decreases:

Adjustment Factor (AF) = $(IC/IB - 0.90)$, rounded to the nearest 0.01

If AF is equal to or greater than 0, no adjustment.

If AF is less than 0, continue

Payment Adjustment = $AF \times \text{weight} \times \text{base price}$

Where:

IB = BLS PPI for month contract was let

IC = BLS PPI for month material was purchased from the mill (invoice date)

Weight = weight of steel in pounds